

### **REMARKS**

Claims 1-16 and 18-59 are pending in this application. By this amendment, claims 2 and 33 are cancelled and claims 1, 3, 14, 24, 30, 34, and 42 are amended. Support for the amendments can be found at least on page 37, lines 14-20 of the specification and in original claims 2 and 33. No new matter is introduced. Reconsideration and prompt allowance of the claims is respectfully requested.

#### **35 U.S.C. § 102 Rejections**

Claims 1, 14, and 24-25 are rejected under 35 U.S.C. §102 (e) as being anticipated by U.S. Patent 5,357,276 to Banker et al. (hereafter Banker). This rejection is respectfully traversed.

Banker is directed to a near video on demand (NVOD) time shifting feature for a subscriber terminal. The feature emulates the video cassette recorder functions of pause, fast forward, and rewind for a NVOD service subscription. However, Banker does not disclose or suggest “a hardware upgrade for a set top terminal” that comprises “an interface to the set top terminal for receiving and processing subscriber input; a modem connected to the interface capable of communicating with one or more headends; and a microprocessor connected between the interface and the modem, wherein the hardware upgrade is a card insertable into the set top terminal” as recited in amended claim 1 (emphasis added). The Examiner asserts on pages 2 and 16 of the Office Action that Banker discloses a hardware upgrade that is an improved set top terminal as opposed to an older type set top terminal. However, the hardware upgrade as recited in amended claim 1 is an addition to an existing set top terminal and includes its own microprocessor. Therefore, the hardware upgrade of amended claim 1 is not an improved set top terminal or replacement of an older type set top terminal. The hardware upgrade utilizes existing set top terminals and provides additional functionality for consumers without incurring the cost of replacing existing equipments. In addition, amended claim 1 recites the hardware upgrade as “a card insertable into the set top terminal.” This feature is not disclosed or suggested by Banker. Since Banker does not disclose or teach all of the elements of amended claim 1, claim 1 is allowable over Banker.

With respect to independent claim 14, for the same reason as noted above with respect to claim 1, Banker does not disclose or suggest “a first hardware upgrade” that comprises “an interface to the set top terminal for receiving and processing subscriber input; a modem connected to the interface capable of communicating with one or more headends; and a microprocessor connected between the interface and the modem, wherein the first hardware upgrade is a card inserted into the set top terminal” as recited in amended claim 14 (emphasis

added). Since Banker does not disclose or teach all of the elements of amended claim 14, claim 14 is allowable over Banker.

With respect to independent claim 24, for the same reason as noted above with respect to claim 1, Banker does not disclose or suggest “a hardware upgrade” that comprises “an interface to the set top terminal for receiving and processing subscriber input; and a modem connected to the interface capable of communicating with one or more headends; and a microprocessor connected between the interface and the modem, wherein the hardware upgrade is a card inserted into the set top terminal” as recited in amended claim 24 (emphasis added). Since Banker does not disclose or teach all of the elements of amended claim 24, claim 24 is allowable over Banker.

Claim 25 is allowable because it depends from allowable claim 24 and for the additional features it recites. Applicants therefore respectfully request withdrawal of the rejection of claims 1, 14, and 24-25 under 35 U.S.C. §102 (e).

### **35 U.S.C. § 103 Rejections**

Claims 1-3, 10-16, and 18-29 are rejected under 35 U.S.C. §103 (a) as being unpatentable over U.S. Patent 5,192,999 to Graczyk et al. (hereafter Graczyk) and Banker. The Applicants respectfully traverse.

Claim 2 is cancelled. Therefore, the rejection of claim 2 is rendered moot.

Graczyk is directed to a multipurpose computerized television system that generates a plurality of video images in association with a personal computer. The personal computer receives a plurality of television signals and directs the signals to be displayed. However, Graczyk and Banker, individually and in combination, do not disclose or suggest “a hardware upgrade for a set top terminal” that comprises “an interface to the set top terminal for receiving and processing subscriber input; a modem connected to the interface capable of communicating with one or more headends; and a microprocessor connected between the interface and the modem, wherein the hardware upgrade is a card insertable into the set top terminal” as recited in amended claim 1 (emphasis added). The Examiner asserts on page 4 of the Office Action that Banker discloses a hardware upgrade that is an improvement to a set top terminal. However, the hardware upgrade as recited in amended claim 1 is an addition to an existing set top terminal and includes its own microprocessor. Therefore, the hardware upgrade of amended claim 1 is not an improvement to an older type set top terminal. In addition, amended claim 1 recites the hardware upgrade as “a card insertable into the set top terminal.” This feature is not disclosed or suggested by Banker or Graczyk. Since Graczyk

and Banker, individually and in combination, do not disclose or suggest all of the elements of amended claim 1, claim 1 is allowable.

Claims 3 and 10-13 are allowable because they depend from allowable claim 1 and for the additional features they recite. Applicants therefore respectfully request withdrawal of the rejection of claims 1, 3, 10-13 under 35 U.S.C. §103 (a).

With respect to claim 14, for the same reason as noted above with respect to claim 1, Graczyk and Banker, individually and in combination, do not disclose or suggest "a first hardware upgrade" that comprises "an interface to the set top terminal for receiving and processing subscriber input; a modem connected to the interface capable of communicating with one or more headends; and a microprocessor connected between the interface and the modem, wherein the first hardware upgrade is a card inserted into the set top terminal" as recited in amended claim 14 (emphasis added). Since Graczyk and Banker, individually and in combination, do not disclose or suggest all of the elements of amended claim 14, claim 14 is allowable.

Claims 15-16 and 18-23 are allowable because they depend from allowable claim 14 and for the additional features they recite. Applicants therefore respectfully request withdrawal of the rejection of claims 14-16 and 18-23 under 35 U.S.C. §103 (a).

With respect to claim 24, for the same reason as noted above with respect to claim 1, Graczyk and Banker, individually and in combination, do not disclose or suggest "a hardware upgrade" that comprises "an interface to the set top terminal for receiving and processing subscriber input; and a modem connected to the interface capable of communicating with one or more headends; and a microprocessor connected between the interface and the modem, wherein the hardware upgrade is a card inserted into the set top terminal" as recited in amended claim 24 (emphasis added). Since Graczyk and Banker, individually and in combination, do not disclose or suggest all of the elements of amended claim 24, claim 24 is allowable.

Claims 25-29 are allowable because they depend from allowable claim 24 and for the additional features they recite. Applicants therefore respectfully request withdrawal of the rejection of claims 24-29 under 35 U.S.C. §103 (a).

Claims 4-9 are rejected under 35 U.S.C. §103 (a) as being unpatentable over Graczyk, Banker, and further in view of U.S. Patent 5,327,554 to Palazzi, III et al. (hereafter Palazzi). The Applicants respectfully traverse.

Claims 4-9 are allowable because they depend from allowable claim 1 and for the additional features they recite. Applicants therefore respectfully request withdrawal of the rejection of claims 4-9 under 35 U.S.C. §103 (a).

Claims 30-42, 45-52, 55-56, and 58-59 are rejected under 35 U.S.C. §103 (a) as being unpatentable over Palazzi and Banker. The Applicants respectfully traverse.

Claim 33 is cancelled. Therefore, the rejection of claim 33 is rendered moot.

Palazzi is directed to an inexpensive telecommunications device utilizing existent components located in the home or office for creating interactive display terminal for accessing information stored in remote computer databases. However, Palazzi and Banker, individually and in combination, do not disclose or suggest “[a] television terminal having a microprocessor ... comprising ... a hardware upgrade comprising an interface to the television terminal for receiving and processing subscriber input; a modem capable of communicating with one or more headends; and a microprocessor connected between the interface and the modem” as recited in amended claim 30 (emphasis added). The hardware upgrade as recited in amended claim 30 is an addition to an existing television terminal and includes its own microprocessor. Since Palazzi and Banker, individually and in combination, do not disclose or suggest all of the elements of amended claim 30, claim 30 is allowable.

Claims 31-32 and 34-41 are allowable because they depend from allowable claim 30 and for the additional features they recite. Applicants therefore respectfully request withdrawal of the rejection of claims 30-32 and 34-41 under 35 U.S.C. §103 (a).

With respect to claim 42, for the same reason as noted above with respect to claim 1, Palazzi and Banker, individually and in combination, do not disclose or suggest “communicating with the one or more headends using a hardware upgrade inserted into the set top terminal” as recited in amended claim 42 (emphasis added). Since Palazzi and Banker, individually and in combination, do not disclose or suggest all of the elements of amended claim 42, claim 42 is allowable.

Claims 45-52, 55-56, and 58-59 are allowable because they depend from allowable claim 42 and for the additional features they recite. Applicants therefore respectfully request withdrawal of the rejection of claims 42-52, 55-56, and 58-59 under 35 U.S.C. §103 (a).

Claims 53-54 are rejected under 35 U.S.C. §103 (a) as being unpatentable over Banker and Palazzi and further in view of U.S. Patent 5,247,575 to Sprague et al. (hereafter Sprague). The Applicants respectfully traverse.

Claims 53-54 are allowable because they depend from allowable claim 42 and for the additional features they recite. Applicants therefore respectfully request withdrawal of the rejection of claims 53-54 under 35 U.S.C. §103 (a).

Claims 43-44 and 57 are rejected under 35 U.S.C. §103 (a) as being unpatentable over Banker and Palazzi and further in view of U.S. Patent 5,253,066 to Vogel (hereafter Vogel). The Applicants respectfully traverse.


Claims 43-44 and 57 are allowable because they depend from allowable claim 42 and for the additional features they recite. Applicants therefore respectfully request withdrawal of the rejection of claims 43-44 and 57 under 35 U.S.C. §103 (a).

In view of the above remarks, Applicants respectfully submit that the application is in condition for allowance. Prompt examination and allowance are respectfully requested.

Should the Examiner believe that anything further is desired in order to place the application in even better condition for allowance, the Examiner is invited to contact Applicants' undersigned representative at the telephone number listed below.

Respectfully submitted,

Date: November 18, 2003

  
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